

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Administrative Office	(2) MEETING DATE 9/20/2016	(3) CONTACT/PHONE Nikki J. Schmidt 781-5496	
(4) SUBJECT Request to approve Amendment No. 3 to the Agreement for Services with Mental Marketing Inc. and TJA Advertising in the total amount of \$794,000 to provide marketing services on behalf of the San Luis Obispo County Tourism Business Improvement District (CBID) for FY 2016-17. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board approve Amendment No. 3 to the Agreement for Services with Mental Marketing Inc. and TJA Advertising in the total amount of \$794,000 to provide marketing services on behalf of the San Luis Obispo County Tourism Business Improvement District (CBID) for FY 2016-17.			
(6) FUNDING SOURCE(S) County Business Improvement District Assessment	(7) CURRENT YEAR FINANCIAL IMPACT \$794,000.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input type="checkbox"/> Board Business (Time Est. ____)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW Guy Savage			
(18) SUPERVISOR DISTRICT(S) All Districts			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Nikki J. Schmidt, Administrative Office

DATE: 9/20/2016

SUBJECT: Request to approve Amendment No. 3 to the Agreement for Services with Mental Marketing Inc. and TJA Advertising in the total amount of \$794,000 to provide marketing services on behalf of the San Luis Obispo County Tourism Business Improvement District (CBID) for FY 2016-17. All Districts.

RECOMMENDATION

It is recommended that the Board approve Amendment No. 3 to the Agreement for Services with Mental Marketing Inc. and TJA Advertising in the total amount of \$794,000 to provide marketing services on behalf of the San Luis Obispo County Tourism Business Improvement District (CBID) for FY 2016-17.

DISCUSSION

On July 24, 2012, the Board approved the original agreement for services with Mental Marketing Inc. and TJA Advertising to provide marketing services on behalf of the CBID. Amendment No.1 extended the Agreement term to June 30, 2016 and Amendment No. 2 increased the cost of services to \$769,000. On May 25, 2016, the CBID Advisory Board discussed and approved the FY 2016-16 marketing plan and budget. In addition, they approved making a recommendation to the Board that the agreement for services with Mental Marketing Inc. and TJA Advertising should be extended to June 30, 2017. The FY 2016-17 plan continues to focus on:

- Evolving and clarifying the Highway 1 Discovery Route brand;
- Increasing overnight stays, length of stays and repeat stays;
- Creating marketing efficiencies and shared assets throughout the constituency

For specific details, please refer to the marketing plan and scope attached.

OTHER AGENCY INVOLVEMENT/IMPACT

The CBID Advisory Board recommends that Mental Marketing Inc. and TJA Advertising continue to provide marketing agency services to the CBID. Administrative Office staff provides support and acts as the liaison between the County and the CBID. County Counsel reviewed the amendment for form and legal effect.

FINANCIAL CONSIDERATIONS

The CBID is funded by a 2% assessment of the rent charged per occupied room per night from lodging businesses (hotels, motels, bed and breakfasts, and vacation rentals) within the CBID. The agreement with Mental Marketing Inc. and TJA Advertising will be funded completely out of those assessments and no County General Fund dollars will be used. During the term of this amendment, Mental Marketing Inc. and TJA Advertising will be paid a total of \$794,000 for FY 2016-17 to provide the services as outlined in marketing plan and scope of work attached as Exhibit A of the agreement.

RESULTS

As a facilitator of a requested program, the County has not established performance criteria beyond the legal contractual obligations to expend the funds for identified purposes. The onus is on the designated contractors that are selected by the CBID Advisory to meet the expectations of the lodging business owners paying the assessment. Results for FY 2015-16, are included as part of this staff report. The CBID Advisory Board will continue to track the performance of Mental Marketing Inc. and TJA Advertising during the term of this amendment.

ATTACHMENTS

1. Amendment No. 3 to the Agreement for Services
2. Exhibit A - organizational goals and marketing priorities
3. FY 2015-16 year end results
4. CBID Minutes May 25, 2016